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U.S. House of Representatives Committee on Energy and Commerce Washington, DC 20515-6115

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June 1, 2006

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The Honorable Arnold Schwarzenegger Governor of California State Capitol Building Sacramento, CA 95814

Dear Governor Schwarzenegger:

In connection with legislative activity related to refining capacity in the United States, I am requesting information regarding the processing of new source review (NSR) air permits for new refineries and for expansions at existing refineries. Some have alleged that delays in obtaining environmental permits, especially new source review, are to blame for the oil companies' decisions not to build new refineries or further expand existing refineries. Previous Congressional testimony from then U.S. Environmental Protection Agency (EPA) Administrator Carol Browner regarding permit process times, however, does not support that allegation. In response to recent requests, EPA has refused to update the information previously provided by Ms. Browner; instead it has responded that States are charged with processing new permits.

Ideally, this information would have been collected before the U.S. House of Representatives, by a very slim majority, passed H.R. 3893, the "Gasoline for America's Security Act of 2005", on October 7, 2005, and before it votes a second time in early June on H.R. 5254, the "Refinery Permit Process Schedule Act". The information would still be useful as deliberations on this issue continue.

The questions below are identical to the ones requesting information from State and local air pollution agencies contained in my February 16, 2006, letter to Mr. William Becker, Executive Director, State and Territorial Air Pollution Program Administrators/Association of Local Air Pollution Control Officials. A summary of the State and local agency responses to that letter is enclosed.

Because information from California would be particularly informative, I am contacting you directly to obtain the information from your State that was requested originally in the February 16, 2006, letter.

Please provide the following information to me by Wednesday, June 28, 2006:

- (1) How many refineries are located in your State?
- (2) With respect to new refineries:
 - (a) For each of the last 10 years, how many major NSR permit applications for new refineries did the permitting agency receive?
 - (b) For each application submitted in the last five years, how long did it take for the permitting agency to take final action on the permit?
 - (c) How many major NSR permit applications are pending for new refineries? For each permit application, please give the dates on which the permit application was received, when the permitting agency had all the necessary information from the applicant to process the permit application, and when final action is expected.
- (3) With respect to expansion of capacity at existing refineries (including any project that increased refining capacity even if other changes were made at the same time that did not affect capacity):
 - (a) For each of the last 10 years, how many major NSR permit applications for expansions at refineries did the permitting agency receive?
 - (b) For each application submitted in the last five years, how long did it take for the permitting agency to take final action on the permit?
 - (c) How many major NSR permit applications are pending for refinery expansions? For each permit application, please give the dates on which the permit application was received, when the permitting agency had all the necessary information from the applicant to process the permit, and when final action is expected.
 - (d) For each of the last 10 years, how many refinery expansions in your State do you know of that did not require a major new source review?

In calculating how long any particular permit action took, please start at the time when the permitting agency had all of the applicant's required information to begin processing the permit.

The Honorable Arnold Schwarzenegger Page 3

Thank you for your assistance with this request. If further information is needed, please have your staff contact Lorie Schmidt, Minority Counsel to the Committee on Energy and Commerce, at (202) 226-3400.

Singerely,

JOHN D. DINGELL

RANKING MEMBER